

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EUR-12 DLOS-06 SAL-01 CIAE-00 DODE-00

PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 AID-05 COME-00 EB-07 FRB-03 TRSE-00

XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 OES-06

NSCE-00 SSO-00 USIE-00 INRE-00 IO-13 ARAE-00 /116 W

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FM AMEMBASSY NASSAU

TO SECSTATE WASHDC IMMEDIATE 8813

C O N F I D E N T I A L SECTION 1 OF 2 NASSAU 1740

E.O. 11652: GDS

TAGS: MARR, PBOR, PLOS, BF, US

SUBJ: FACILITIES NEGOTIATIONS

REF: STATE 270040

1. IN THE COURSE OF A DISCUSSION WITH MINEXTAFF ADDERLEY COVERING OTHER MATTERS, HE COMMENTED TO ME THAT I WOULD BE RECEIVING A LETTER NEXT WEEK DEALING WITH THE FACILITIES ISSUE. HE WONDERED WHETHER THE ELECTION RESULTS WOULD AFFECT THE TIMING OF A U.S. RESPONSE (THE IMPLICATION BEING THAT A NEW ADMINISTRATION MIGHT WISH TO REVIEW THE BIDDING).
 2. I COMMENTED THAT BEFORE ANSWERING, I WONDERED WHETHER HE COULD GIVE ME SOME INDICATION OF THE SUBSTANTIVE DIRECTION WHICH HIS LETTER WOULD TAKE. ADDERLEY RESPONDED BY SAYING THAT THE LETTER WOULD TAKE NOTE OF OUR PREVIOUS COMMUNICATION, DENYING THAT A NUMBER OF THE FACTORS WHICH WE ALLEGED WERE ECONOMIC CONSIDERATIONS OF VALUE TO THE BAHAMAS WERE IN FACT "ECONOMIC CONSIDERATIONS." (PRESUMABLY HE IS REFERRING TO SUCH FACTORS AS THE DOLLAR VALUE OF
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U.S. EMPLOYMENT OF BAHAMIANS ON THE FACILITIES, ETC.)

3. I SAID THAT, OF COURSE, ANY NEW ADMINISTRATION WOULD ALMOST CERTAINLY WISH TO REVIEW ALL ONGOING NEGOTIATIONS, ESPECIALLY ONES WHICH INVOLVE FUTURE COMMITMENTS RELATED TO MILITARY FACILITIES OVERSEAS. MY OWN PERSONAL JUDGMENT WAS THAT THE EXTENT TO WHICH NEGOTIATIONS MIGHT BE DELAYED WOULD BEAR IMPORTANTLY UPON THE SPECIFIC CONTENT OF WHAT THE GCOB HAD IN MIND. IF WHAT THEY WERE THINKING ABOUT INVOLVED A MODEST REQUEST ABOVE AND BEYOND WHAT HAD ALREADY BEEN OFFERED, THAT WAS ONE MATTER; IF THEY HAD IN MIND A SUBSTANTIAL INCREASE IN THE QUID, THAT WAS QUITE ANOTHER MATTER. I HOPED THAT THE GCOB COULD BEGIN TO GET MORE SPECIFIC IN TERMS OF WHAT IT HAD IN MIND.

4. ADDERLEY SAID UNFORTUNATELY HE COULD NOT BE MORE SPECIFIC AT THIS TIME. (EVEN THOUGH HE DID NOT SAY SO, HIS TONE IMPLIED THAT THE GOVERNMENT REALLY DOESN'T HAVE AS YET A CLEAR AND AGREED POSITION.) HE WENT ON TO SAY THAT SOMEHOW OR OTHER THEY NEEDED TO DEVELOP "A FORMULA" FOR DETERMINING WHAT THEY CONSIDER THE VALUE OF THE BASES TO BE. I SAID THAT IN THIS REGARD OUR TASK WAS PERHAPS MADE SOMEWHAT EASIER. AS HE KNEW, WE HAD MADE AN ASSESSMENT OF WHAT THE VALUE WAS OF THE FACILITIES TO US AND, MORE SPECIFICALLY, OF WHAT IT WOULD COST FOR US TO RELOCATE THE FACILITIES. THIS WAS VERY MUCH THE BASIS UPON WHICH OUR OFFER HAD BEEN DEVELOPED. I ADMITTED, OF COURSE, THAT THERE WERE ALWAYS INTANGIBLES THAT ALSO HAD TO BE CONSIDERED IN COMING TO A CONCLUSION ON THE VALUE OF THE FACILITIES BUT THESE INTANGIBLES AFFECTED OUR LATITUDE OVER A VERY MINIMAL RANGE. IF, THEREFORE, THE GCOB HAD IN MIND A SUBSTANTIAL INCREASE IN THE QUID, IT WOULD BE QUITE CLEAR TO US THAT WE COULD NOT JUSTIFY THIS EITHER WITHIN THE EXECUTIVE BRANCH OR IN PRESENTATIONS TO THE CONGRESS, TO WHOM WE WOULD HAVE TO GO FOR OUR 15-YEAR ANNUAL PAYMENT. I SUGGESTED THAT, EVEN IF HE WAS NOT ABLE TO BE EXPLICIT CONCERNING WHAT THE GCOB HAD IN MIND, IT MIGHT STILL BE USEFUL FOR US TO SIT DOWN INFORMALLY AND EXCHANGE VIEWS AD REFERENDUM RATHER THAN PURSUE A CONTINUED EXCHANGE OF CONFIDENTIAL

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FORMAL COMMUNICATIONS WHICH CARRIED THE DISADVANTAGE THAT EACH COMMUNICATION RAISED FURTHER QUESTIONS WHICH IN TURN HAD TO BE ADDRESSED BY STILL SUBSEQUENT COMMUNICATIONS. HE SAID HE AGREED WITH THIS AND WAS PERSONALLY PREDISPOSED TOWARD HAVING "FURTHER INFORMAL DISCUSSIONS AFTER YOU'VE RECEIVED MY LETTER." HE WENT ON TO MAKE A DISTINCTION AS BETWEEN SUCH DISCUSSIONS AND "FORMAL NEGOTIATIONS" SAYING THAT HE WAS RELUCTANT TO ENGAGE IN THE LATTER

"UNTIL I CAN SEE MORE CLEARLY WHERE WE ARE LIKELY TO COME OUT." HE AMPLIFIED THIS BY SAYING THAT HE DID NOT, FOR EXAMPLE, WANT TO GET INTO THE POSITION WHERE, IF THEY MADE A FURTHER DEMAND WE FELT IT NECESSARY TO RESPOND BY SAYING THAT THIS EXCEEDED WHAT THE FACILITIES WERE WORTH AND THAT WE THEREFORE WERE PREPARED TO BEGIN DISCUSSIONS ABOUT TERMINATING OUR PRESENCE SINCE THIS WOULD THEN QUITE PROBABLY RESULT IN THEIR AGREEING TO SUCH TERMINATION DISCUSSIONS. WE BOTH AGREED THAT THIS HARDLY SEEMED TO BE IN THE INTERESTS OF EITHER COUNTRY.

5. COMMENT: (A) AS TO TIMING, GIVEN OUR PAST EXPERIENCE, I WOULD ADVISE WASHINGTON NOT TO HOLD ITS COLLECTIVE BREATH FOR THE EXPECTED LETTER "NEXT WEEK." WE MAY GET IT NEXT WEEK OR IT MAY BE CONSIDERABLY DELAYED.

(B) AS TO SUBSTANCE, I THINK WE CAN BE FAIRLY CONFIDENT AS TO WHAT THE GCOB LINE WILL BE, I.E., THEY ARE SATISFIED WITH OUR BASE RENTAL OFFER, BUT THAT THE OTHER ECONOMIC CONSIDERATIONS SOMEHOW OR OTHER DON'T COUNT AND WE SHOULD THEREFORE BE PREPARED TO MAKE A LARGER ANNUAL PAYMENT. WE SHALL HAVE TO SEE HOW THEY PUT IT, BUT I DO NOT FOR A MOMENT TAKE AT FACE VALUE ANY ALLEGATION THAT THE RANGE OF ECONOMIC CONSIDERATIONS WHICH WE IDENTIFIED IN OUR OFFER ARE UNIMPORTANT TO THIS GOVERNMENT. IT IS IN ECONOMIC DIFFICULTY AND THE LAST THING IN THE WORLD THAT IT NOW NEEDS IS AN INCREASE IN UNEMPLOYMENT AS A RESULT OF A REMOVAL OF U.S. FACILITIES. AND THIS, OF COURSE, IS NOT TO MENTION THE IMPACT WHICH MIGHT BE HAD ON THE ECONOMY AS A WHOLE AND ESPECIALLY THE TOURIST ECONOMY FROM THE REDUCTION IN POLITICAL CONFIDENCE WHICH WOULD FOLLOW OUR TERMINATING OUR MILITARY PRESENCE HERE.

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KC) AT THE SAME TIME, WE HAVE KNOWN RIGHT ALONG THAT THE GCOB HAS HAD EXAGGERATED NOTIONS BOTH AS TO THE VALUE OF THE FACILITIES TO US AND AS TO THE EXTENT TO WHICH THE U.S. SHOULD ASSIST IN MEETING VERY ELABORATE GCOB ECONOMIC DEVELOPMENT OBJECTIVES. IN THIS CONNECTION, ON THE FORMER POINT, IN OUR CONVERSATION, ADDERLEY COMMENTED THAT SURELY THESE FACILITIES WERE OF HIGH VALUE TO US BECAUSE HE COULD NOT THINK OF ANYPLACE WHERE IT WOULD BE MORE DIFFICULT FOR THE RUSSIANS TO MONITOR OUR ACTIVITIES. WHILE IN NO SENSE DENIGRATING THE VALUE OF THE FACILITIES,

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ACTION ARA-10

INFO OCT-01 ISO-00 EUR-12 DLOS-06 SAL-01 CIAE-00 DODE-00

PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

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XMB-02 OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 OES-06

NSCE-00 SSO-00 USIE-00 INRE-00 IO-13 ARAE-00 /116 W

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FM AMEMBASSY NASSAU

TO SECSTATE WASHDC IMMEDIATE 8814

C O N F I D E N T I A L SECTION 2 OF 2 NASSAU 1740

I DENIED THAT THIS WAS AN IMPORTANT CONSIDERATION IN OUR CALCULUS SINCE WHEREVER WE MOVED THE FACILITIES TO WOULD BE AT LEAST EQUALLY SECURE FROM SUCH RUSSIAN MONITORING. (I IMPLIED THAT THIS MIGHT BE FLORIDA BY WAY OF EXAMPLE.) AS TO THE LATTER POINT, THAT IS THE MAGNITUDE OF THEIR ECONOMIC DEVELOPMENT OBJECTIVES, SO FAR AS WE CAN TELL THESE REMAIN VERY AMBITIOUS INDEED. THOUGH NOTHING OFFICIALLY HAS BEEN PUBLISHED, THE PRIME MINISTER HAS TALKED IN TERMS OF DOLS 2 BILLION PER YEAR FOR THE NEXT 10 YEARS. WHILE WE BELIEVE THIS OF COURSE INCLUDES ALL SOURCES OF EXTERNAL FINANCING, BOTH PUBLIC AND PRIVATE, IT IS SIMPLY NOT AT ALL CLEAR WHERE SUMS IN THIS ORDER OF MAGNITUDE CAN COME FROM, OR INDEED THAT A SENSIBLE ECONOMIC DEVELOPMENT PLAN CONSISTENT WITH THE ABSORPTIVE CAPABILITIES OF THE BAHAMAS COULD RELATE TO SUCH HIGH ASPIRATIONS.

(D) INTERESTINGLY, THERE WAS NO REFERENCE WHATSOEVER TO THE ARCHIPELAGO ISSUE. THIS IS ESPECIALLY INTERESTING IN THAT ONE OF THE MATTERS WHICH OCCASIONED OUR DISCUSSION WAS MY REPORTING TO HIM ON U.S.-CANADIAN MARITIME BOUNDARY DISCUSSIONS, AS PER REFTEL. WHETHER THIS MEANS THAT THIS ISSUE WILL NOT FIGURE PROMINENTLY IN OUR FACILITIES NEGOTIA-
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TIONS, OR ALTERNATIVELY WHETHER THIS MEANS THAT TACTICALLY THE GCOB WOULD PREFER FIRST TO ZERO IN ON THE FINANCIAL QUID, ONLY SUBSEQUENTLY RAISING THE ARCHIPELAGO ISSUE, REMAINS TO BE SEEN.

6. ONE FINAL THOUGHT: I DID NOT COME AWAY WITH THE FEELING OF A SENSE OF URGENCY ON THE PART OF THE GCOB TO RESOLVE THE FACILITIES NEGOTIATION QUESTION. TO THE CONTRARY, AS SUGGESTED ABOVE, ADDERLEY SEEMS TO BE APPROACHING THE MATTER VERY GINGERLY, EXPLICITLY WISHING TO AVOID PUSHING THE MATTER TO WHAT COULD BE A DEFINITIVE CONFRONTATION AND INDEED STRONGLY IMPLYING THAT THE GOVERNMENT ITSELF MAY NOT EVEN AT THIS DATE KNOW PRECISELY WHAT IT WANTS TO ASK FOR. AS A RESULT, I WOULD BE AMAZED IF WE DID NOT HAVE A FURTHER EXCHANGE OF COMMUNICATIONS IN DECEMBER PROVIDING FOR OUR CONTINUED INTERIM USE OF THE FACILITIES AND WOULD NOT AT ALL BE AMAZED IF WE FOUND IT NECESSARY TO HAVE A SIMILAR EXCHANGE SIX MONTHS FROM THEN, I.E. IN JUNE '77. UNLESS WE PUSH IT (AND I DO NOT SEE THAT IT IS AT ALL IN OUR INTEREST TO DO SO), I SUSPECT MATTERS WILL CONTINUE TO MOVE QUITE SLOWLY, AS THEY HAVE HERETOFORE.
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